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Project No 052008

November 15, 1999

Mr. Dave Shoemaker, Managèr Questa Mine Molycorp Inc. P.O. Box 469 Questa NM 87556

Dear Dave

Re: Closeout Plan Program for MMD: Responses to Information Request

Attached is a letter of response to the MMD addressing most of the issues raised in their letter of November 1, 1999. In preparing this response we have also considered the letters from NMED dated October 6 and October 25, from Amigos Bravos dated November 2, and New Mexico Environmental Law Center dated October 21.

We have suggested a delay of the DP 933 hearing until June 30, 2000 to allow for some of the required studies to be completed and for NMED's requested review periods. These should be reviewed with them from the attached Table 2.

To address the requirements of NMED for DP 1055 we have provided for submission of a Revised Contingency and Closure Plan at the end of September 2000, and a public hearing (before finalizing the bond) on November 30. This plan precedes the suggested dates for the Closeout Plan for MMD. We have proposed a full study program for the MMD Closeout Plan with the three Review Meetings indicated in Table 1. It would be very difficult to accelerate the MMD Closeout plan development (with these meetings) to meet the earlier submission and hearing times required for DP 1055 by the NMED. To satisfy the NMED requirements for an alternatives analysis, we will include such an analysis in the Revised Closure Plan for NMED, however there will not be an associated set of review meetings.

You should discuss with the MMD and NMED how participation in the Review Meetings can be structured. To be effective technical review meetings the numbers should be small and the attendees should have an appropriate technical background with only one or two representatives from each stakeholder group (NMED, MMD, Amigos Bravos). The representatives report back to their broader stakeholder groups. The forum for the full and general public participation is at the public hearings. The Review Committee model for the Zortman Landusky mines site is an excellent example and precedent. You can suggest to NMED and MMD that they contact Montana State, the BLM and the EPA representatives to that committee, as well as Jim Kuipers (advising Amigos Bravos) on this model.

I believe the Review Committee Meetings can play an important role in trying to get the stakeholders to understand the issues and difficulties as well as the successes and benefits of the Molycorp approach as well as offering them the opportunity to evaluate the technical information and alternatives results as these are being prepared. It provides them with the opportunity of expressing their concerns and value assessments relating to these alternatives, therefore of having input to the final Closeout Plan preparation.

Yours truly Robertson GeoConsultants inc.

Dr. A. MacG. Robertson. P.Eng.

President